rates, permitting tax benefits on deposits etc., and (VI) compensating customers for delay in collection of cheques, payment by mail transfer, telegraphic transfer, etc.

RBI have already issued necessary instructions for implementaion of the recommendations so far accepted. It is felt that the customer service will improve further in the public sector banks with the implementation of these recommendations.

Recognition to the National Stock Exchange

1645. SHRI SURESH KALMADI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Govt. have granted recognition to the National Stock Exchange of India;

(b) if so, the period for which the recognition has been granted; and

(c) what are the details of the working of the National Stock Exchange?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) Yes Sir, the Central Government has granted recognition to the National Stock Exchange of India Limited under Section 4 of the Securities Contracts (Regulation) Act, 1956, for a period of five years commencing on 26th April; 1993 and and ending with the 25th April; 1998

(c) This Stock Exchange is expected to operate as a 'Model' Stock Exchange with the following main features:

(i) There will be no upper limit on trading membership.

(ii) Persons located anywhere in India will be eligible to apply for trading membership.

(iii) It would have two trading segments, one dealing with whole sale debt instruments and the other with capital market instruments.

(iv) The trading system would be automated and screen based.

(v) There will be no trading floor.

Safety net proposal mooted by SEBI

1646. SHRI ANANT RAM JAISWAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that UTI is in the practice of negotiatng with companies, whose public offer of share are unedr-subscribed, to purchase their equity shares below price which offered to the public|investors;

(b) whether it is also a fact that UTI did so in the matter of 1992 public issue of Nagarjuna Fertilisers and Chemicals Ltd. invested over 50 crores in this company;

(c) whether it is also a fact that in order to prevent this kind of malpractice and to safeguard the interest of ordinary investors, Securities and Exchange Board of India (SEBI) mooted a proposal of Safety-net;

(d) if so, what are the details thereof and what is the reaction of Government to the same; and

(e) by when will the above said proposal be cleared?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED):

(a) No, Sir. Unit Trust of India (UTI) does not negotiate with issuing companies for purchase of equity shares. UTI makes investment in public|rights issues of companies at market price and on negotiated offers from lead managers/intermediaries or merchant bankers managing the issue only when they approach UTI.